

STATE OF MICHIGAN



JOHN ENGLER, Governor

DEPARTMENT OF COMMUNITY HEALTH

LEWIS CASS BUILDING

LANSING, MICHIGAN 48913

JAMES K. HAVEMAN, JR., Director

March 2002

Dear Medicaid Nursing Facility:

The purpose of this letter is to inform you that the Department of Community Health (DCH) is currently working toward implementation of all the federally mandated Health Insurance Portability and Accountability Act (HIPAA) transaction standards. The implementation of the claims transaction (837) standard on October 1, 2002, may have a significant impact on you.

Effective October 1, 2002, the DCH will no longer accept any of its current proprietary electronic claim formats. Beginning on that date, all **electronic nursing facility** claims must be submitted utilizing the ANSI X12N 837 Institutional, Version 4010, OR the UB-92 EMC 5.0 claim formats regardless of date of service. Claims submitted on or after October 1, 2002, using the current proprietary electronic long term care claim format will be rejected. Effective October 1, 2003, **all** nursing facility electronic claims must be submitted utilizing the 837 claim format.

If you currently submit electronic nursing facility claims to the DCH, you should begin planning now for your conversion to the new national claim format. The Implementation Guide for the 837 Institutional transaction set is available for free downloading at www.wpc-edi.com/HIPAA. In addition, the Michigan Electronic Billing Manual, specifying how to submit these transactions to DCH, is available on the DCH website at www.mdch.state.mi.us/msa/mdch_msa/medicaid_data.htm. Please note that the processes described in the Michigan Electronic Billing Manual represent a combination of the current electronic processes with a note toward the future.

Effective October 1, 2002, all **paper** claims must be submitted utilizing the UB-92 (HCFA 1450) claim form regardless of the date of service. Claims submitted on the MSA-1073 Long Term Care claim form on or after October 1, 2002, will be rejected. Although the DCH will continue to accept paper claims, nursing facilities are encouraged to submit claims electronically. Electronic claims are processed faster and with fewer errors, resulting in improved cash flow. The current DCH practice of special handling for nursing facility paper claims will be discontinued effective October 1, when the use of the UB-92 claim form will make it too difficult for these claims to be distinguished from other institutional claims.

Over the next few months, the DCH will be offering training and testing opportunities to assist you in your transition to the new claim formats. A meeting is being planned to provide nursing facilities, electronic billing agents, and a web-based claims submission service a forum to discuss electronic billing options. In addition, we will be working with the nursing facility associations to develop communication and training activities for their members. Specific information about these opportunities will be provided in future communications.

If you have any questions regarding the changes being made, you may contact the Provider Inquiry Line at 800-292-2550 or email your questions to providersupport@michigan.gov.

Cordially

A handwritten signature in black ink, appearing to read "James K. Haveman, Jr.", written over the word "Cordially".

James K. Haveman, Jr.

